

Lanqi Yu

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July 08, 2025

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CLERK OF THE COURT
US BANKRUPTCY COURT
DISTRICT OF DELAWARE

Honorable Judge Karen B. Owens
United States Bankruptcy Court
District of Delaware
824 North Market Street, 3rd Floor
Wilmington, Delaware 19801
USA

**Re: Objection to the Designation of China as a “Restricted Foreign Jurisdiction”
In re: FTX Trading Ltd., et al., Case No. 22-11068 (KBO)**

**OBJECTION TO MOTION OF FTX RECOVERY TRUST TO IMPLEMENT
RESTRICTED JURISDICTION PROCEDURES**

Submitted by: Lanqi Yu, FTX Chinese Creditor.

Preliminary Statement

I, Lanqi Yu, a verified FTX.com creditor, I have KYC-verified FTX account and my claim numbers is 00185307. My family and I have faced immense hardship since FTX went bankrupt. If I don't receive compensation for my claims from FTX, we truly don't know how we'll manage to get by.

I respectfully object to the Debtors' Motion seeking a procedure which could classify China and 48 other jurisdictions as "Restricted Foreign Jurisdictions." If granted, the motion would deprive me and countless others of distributions lawfully owed under the confirmed Plan of Reorganization, unless we satisfy arbitrary legal hurdles or forfeit our claims altogether.

This motion to designate China as a "Restricted Jurisdiction" is unsupported by either fact or law. As outlined below, there is no credible legal basis to conclude that distributions to Chinese creditors would subject the Trust, or any distribution agent, to regulatory or criminal risk.

I. FTX Claims Are USD-Denominated and Payable via Lawful Channels

1.FTX claims are basically just US Dollars.

Even though we put our money into crypto, the Debtors' Plan clearly says that everything is being valued and paid out in US Dollars. This means the payments are going to be in regular cash, no virtual assets involved. So, it's pretty much like any other financial claim.[1]

2.Sending money via USD wire transfer is totally legal and normal.

The FTX Recovery Trust has already announced they're working with big global payment platforms like Payoneer and BitGo, and even distribution agents like Kraken, to make these cash payouts easy. For us Chinese residents, getting US Dollar wire transfers through Hong Kong accounts is completely legal and doesn't break any capital control rules. [2][3]

3. There are ways for Chinese creditors to get their US Dollars.

Even if we completely ignore crypto payouts, there are plenty of legitimate ways to send US Dollars to us. Just look at the Celsius Network LLC case – the bankruptcy court there successfully sent US Dollars to Chinese creditors using standard international wire transfers. That proves it's practical and perfectly legal. [4]

4. So, here's the bottom line for this first section:

Since the FTX bankruptcy is all about valuing and settling claims in US Dollars, this case is no different from any other bankruptcy when it comes to paying people back. The US Dollar is a global currency, and it can absolutely be sent legally to Chinese creditors through existing channels. It's crucial that we Chinese creditors get the same access to US Dollar compensation as everyone else. This is about being fair and equitable in the whole bankruptcy process. Any attempt by the FTX Recovery Trust to hold back our money because they're guessing about crypto regulations in our jurisdiction is both unfair and has no legal basis. We deserve the same US Dollar payouts as creditors in other places.

II. Even If It Were Crypto, It's Still Legal in China

1. China Recognizes Virtual Assets as Legal Property.

Chinese courts have been very consistent in saying that cryptocurrencies like Bitcoin and Ethereum are considered personal property under their Civil Code. These rulings confirm that it's perfectly legal for individuals to own crypto. [5][6][7][8]

2. Hong Kong Supports Crypto Regulation and Retail Participation.

Hong Kong is a Special Administrative Region of China, operating under the "one country, two systems" framework. This means they set their own financial and regulatory policies, but they're still a part of China. Not only does Hong Kong allow both individuals and companies to hold and trade virtual assets, but they've also been really proactive in welcoming digital assets with a comprehensive licensing system. Their clear and forward-thinking rules are designed to attract global digital asset firms and give strong protection to investors. [9][10][11][12]

3. About that Macau policy – it's misunderstood.

The Trust sometimes brings up Macau's 2017 warning about ICOs. But that warning only stops financial institutions from getting involved in token issuances. It doesn't ban individuals from owning or receiving crypto assets. [13][14]

4. International cases show we can get paid.

In the Celsius Network LLC case, the court actually approved sending US Dollar payments to Chinese claimants via wire transfer. And in the Mt. Gox rehabilitation, Chinese creditors legally received crypto (like Bitcoin and Bitcoin Cash) through Kraken. In both of those cases, there were no geographic restrictions placed on Chinese creditors. [15][16]

Conclusion

In conclusion, paying out claims to Chinese creditors isn't a legal risk for the Trustee or their agents at all. In fact, it's a necessary part of the bankruptcy process. Any move to label China as a "Restricted Jurisdiction" simply isn't based on facts and misinterprets legal principles.

I respectfully urge the Court to reject any designation that would exclude Chinese creditors from distributions under the Plan.

Respectfully submitted.

Lanqi Yu

Lanqi Yu

FTX.com Unique Customer Code: 00185307

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Appendix A: Reference Links

- [1] <https://www.coindesk.com/markets/2025/05/16/ftx-to-pay-over-usd5b-to-creditors-as-bankrupt-exchange-gears-up-for-distribution>
- [2] <https://www.prnewswire.com/news-releases/ftx-recovery-trust-to-distribute-more-than-5-billion-to-creditors-in-second-distribution-on-may-30-2025-302456976.html>
- [3] <https://www.coinspeaker.com/ftx-adds-payoneer-as-payment-method-for-creditors>
- [4] <https://www.nysb.uscourts.gov/content/re-22-10964-mg-celsius-network-llc-21>
- [5] https://watcher.guru/news/bitcoin-is-now-recognized-as-a-legal-virtual-property-by-shanghai-high-court#google_vignette
- [6] <https://www.mondaq.com/fin-tech/1577154/shanghai-court-recognises-the-legality-of-crypto-ownership-for-individuals>
- [7] <https://www.coindesk.com/markets/2018/10/26/chinese-court-rules-bitcoin-should-be-protected-as-property>
- [8] <https://news.bitcoin.com/chinese-court-ethereum-legal>
- [9] <https://www.info.gov.hk/gia/general/202210/31/P2022103000454.htm>
- [10] <https://www.reuters.com/technology/crypto-exchange-hashkey-bags-licence-update-serve-retail-users-2023-08-03>
- [11] <https://cointelegraph.com/news/hong-kong-welcomes-first-licensed-retail-crypto-exchange-hashkey>
- [12] <https://www.engage.hoganlovells.com/knowledgeservices/news/hong-kong-government-policy-announcement-on-virtual-asset-exchanges-hong-kong-fintech-week-2022>
- [13] <https://www.gov.mo/en/news/74177>
- [14] <https://www.amcm.gov.mo/zh-hant/news-notice/statement/detail/alert-to-risks-of-virtual-commodities-and-tokens/642>
- [15] <https://www.theblock.co/post/303624/mt-gox-creditors-may-have-to-wait-for-up-to-three-months-to-receive-their-bitcoin>
- [16] <https://cointelegraph.com/news/mt-gox-confirm-bitcoin-addresses-repayment>

CERTIFICATE OF SERVICE

I, Lanqi Yu, hereby certify that on July 8, 2025, I caused a copy of the foregoing Objection to the Motion of the FTX Recovery Trust to Implement Restricted Jurisdiction Procedures to be served via electronic mail upon the following parties:

Sullivan & Cromwell LLP

- James L. Bromley – bromleyj@sullcrom.com
- Alexa J. Kranzley – kranzleya@sullcrom.com
- Andrew G. Dietderich – dietdericha@sullcrom.com
- Brian D. Glueckstein – gluecksteinb@sullcrom.com

Landis Rath & Cobb LLP

- Adam G. Landis – landis@lrclaw.com
- Kimberly A. Brown – brown@lrclaw.com
- Matthew R. Pierce – pierce@lrclaw.com

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Re: Objection to FTX Recovery Trust's Motion to Implement Restricted Jurisdiction Procedures — Case No. 22-11068 (KBO) ☆



Snail <250953879@qq.com>

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I certify under penalty of perjury that the foregoing is true and correct.

Lanqi Yu

Lanqi Yu

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July 8 2025

To: United States Bankruptcy Court

Attn: Clerk of the Court

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– Case No. 22-11068 (KBO)

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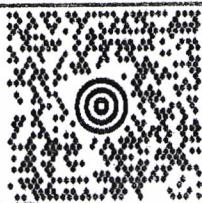
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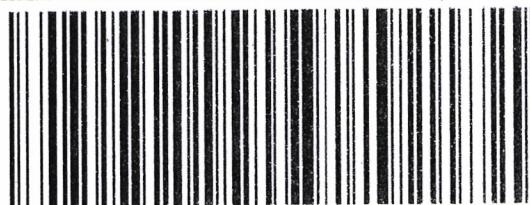
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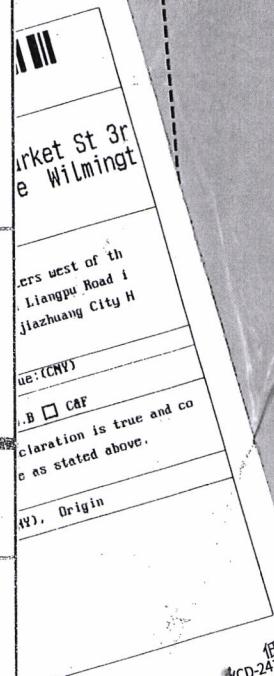
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